*General Letter for Beneficiaries 65 and Over*

**KEEP THIS NOTICE**
**AS PROOF OF MEMBERSHIP IN [Name of Non-Renewing M+C Plan]**

Call the [insert specific State Health Insurance Assistance Program (SHIP) Name] at 1-800-XXX-XXXX if you have any questions about this letter.

DATE: October 2, 2000

Dear <insert beneficiary's name>:

In [month], [name of M+C organization] sent you a letter notifying you that after December 31, 2000, we will no longer offer [name of M+C plan] to Medicare members in [name of county and/or state].

**The enclosed booklet, "Understanding Your Options When Your Managed Care Plan Leaves the Medicare Program", will provide you with more detailed information about your options for 2001**, including information about:

- other Medicare health plans in your area, if available;
- the Original Medicare Plan (also known as fee-for-service or traditional Medicare);
- Medigap Policy options if you choose the Original Medicare Plan – including more detailed information about your rights, protections and options;
- your options if you have permanent kidney failure, also known as End Stage Renal Disease (ESRD);
- your options if you only have Medicare Part B; and
- additional resources available to help you understand the information in the booklet and to assist you in making important health care decisions.

Changing the way you receive your health care is an important decision. You may wish to ask for help from people you trust — such as your family and friends. **If you or your spouse have**

**health care coverage through a former employer or union, please call your benefits representative before you make a new health plan choice. If you have Medicaid coverage, please call the [insert State Medicaid Agency/Office] before you choose a new health plan. And remember, no matter what decisions you make, you are still in the Medicare program.**

**Again, keep this notice as proof of your membership in [Name of M+C Plan]. If you choose to purchase a Medigap policy, you may need to present a copy of this letter as proof to the Medigap insurer that you lost your coverage from your health plan and that you have a special right to purchase a Medigap policy. If you choose a new managed care plan or private fee-for-service plan, you may need to present this letter to show that you have a Special Election Period that allows you to enroll in a new plan.**

We regret the need for this action and apologize for any inconvenience our decision may have caused you. If you need more information, please feel free to contact the Member Services Department at [telephone number of M+C organization/TTY number]. Customer Service Representatives at this number are available, Monday through Friday [X:XX a.m. to X:XX p.m.]

Sincerely,

[CEO or other official of M+C organization]

Attachment

# UNDERSTANDING YOUR OPTIONS WHEN YOUR MANAGED CARE PLAN LEAVES THE MEDICARE PROGRAM

[Name of M+C organization] will no longer offer [name of nonrenewing M+C plan] to Medicare members in [name of county/counties, State] after December 31, 2000. This booklet provides important information on your Medicare options for 2001, and tells you where to call to get help in understanding your options.

TOPIC PAGE(S)

## Section I — HEALTH CARE OPTIONS AVAILABLE TO YOU

The following health care options may be available to you when making your health care decisions: *[Note to M+C organizations—Only insert options that are available (see instructions below).]*

1. You may be able to join another Medicare managed care plan; OR

2. You may be able to join a private fee-for-service plan; OR

3. You can elect to receive your health care benefits from the Original Medicare Plan — also known as traditional Medicare or fee-for-service Medicare.

### Option 1 — Joining Another Medicare Managed Care Plan in Your Area [*insert only if available]*

One option available to you is to enroll in another Medicare managed care plan in your area. You may enroll in another managed care plan if:

• you are entitled to Medicare Parts A (hospital insurance) and B (medical insurance); **and**

• you do not have permanent kidney failure (ESRD); **and**

• you live in the Medicare managed care plan's service area.

**If you only have Medicare Part B and not Part A, or if you have ESRD, your health care options are different. Please read the special information contained later in this booklet in Sections III and IV to see the options available to you**.

The following Medicare managed care plan(s) are ALL of the plans that will be available in your area. These managed care plans are required to accept your enrollment during a Special Election Period that begins on October 1 and ends on December 31, 2000. You can choose to have your coverage in the new plan begin on November 1, December 1, or January 1, as long as the managed care plan receives your completed form before the effective date you choose:

[*Insert name, address, counties in the service area, phone number and TDD number of plan(s).*

*If cost plan choices are included in the list, add the following statement after the cost plan information: "Eligibility requirements for this plan are different. Please call the plan to find out if you can join."*]

Some plans may be open to current members only. Please call 1-800-MEDICARE (1-800-633-4227 and TTY 1-877-486-2048) or one of the above health plans to ask if the plan you are interested in is currently accepting new members. Call one of above plans or 1-800-MEDICARE (1-800-633-4227 and TTY 1-877-486-2048) if you have questions about premiums, benefits, enrollment process, service area, or effective dates of coverage.

**Option 2 — Joining A Private Fee-For-Service Plan [*insert only if PFFS is available*]**

Another option is to enroll in a private fee-for-service plan. A private fee-for-service plan is a Medicare health plan offered by a private insurance company. It is not the same as the Original Medicare Plan, which is the fee-for-service arrangement offered by the federal government. In a private fee-for-service plan, Medicare pays a set amount of money every month to the private company to provide health care coverage to people with Medicare on a pay-per-visit arrangement.

You may join a private fee-for-service plan if you are entitled to Medicare Parts A and B **and** you do not have permanent kidney failure (ESRD). You must also live in the plan's service area.

**If you only have Medicare Part B and not Part A, or if you have ESRD, your health care options are different. Please read the special information contained later in this booklet in Sections III and IV to see the options available to you**.

The following plan is the only private fee-for-service plan that is available to you in your area. This plan is required to accept your enrollment during a Special Election Period that begins on October 1 and ends on December 31, 2000. You can choose an effective date of November 1, December 1, or January 1, as long as the plan receives your completed form before the effective date you choose:

> *[Insert name, address, counties in the service area, phone number and TDD number of plan(s)]*

Call the plan or 1-800-MEDICARE (1-800-633-4227 and TTY 1-877-486-2048) if you have questions about premiums, benefits, enrollment process, service area, or effective dates of coverage.

**Option 3 — The Original Medicare Plan**

The other option is to return to the Original Medicare Plan (also known as fee-for-service or traditional Medicare). You may return to the Original Medicare Plan in one of two ways.

1. Stay enrolled in our plan until December 31, 2000. If you do this, you will automatically begin receiving benefits from the Original Medicare Plan starting January 1, 2001;

OR

2. You can choose to begin receiving benefits from the Original Medicare Plan before January 1, 2001. **Caution**: If you wish to do this, read the Medigap options below Section II.

To return to the Original Medicare Plan before January 1, 2001:

- Send a written request to our plan, stating that you want to disenroll;

or

- Visit or call your local Social Security office (or Railroad Retirement Board Office, if you or your spouse are retired from the railroad). Tell the customer service representative you wish to disenroll from your managed care plan so that you can begin receiving health care benefits from the Original Medicare Plan;

or

- Call 1-800-MEDICARE (1-800-633-4227 and TTY1-877-486-2048). Ask to disenroll from your managed care plan so that you can begin receiving health care benefits from the Original Medicare Plan.

When you request to disenroll, you must also request an effective date of your disenrollment. You can choose to be disenrolled and have your coverage in the Original Medicare Plan begin on November 1, December 1, or January 1, as long as our plan or one of the organizations listed above receives your request before the effective date you choose.

You will begin to receive benefits from the Original Medicare Plan the day after your benefits with our plan end. If you choose to disenroll before December 31, 2000, we will notify you in writing when your disenrollment will be effective.

**Remember, until your disenrollment from our plan is effective, you must continue to use our doctors and other health plan providers, except for emergencies and urgently needed care.**

**CAUTION: If you wish to return to the Original Medicare Plan, please read the following section on your Medigap options.**

## Section II — MEDIGAP POLICY INFORMATION

### Medigap Policy Options with the Original Medicare Plan

Under the Original Medicare Plan, you may decide that you need more coverage than the Original Medicare Plan provides. Many private insurance companies sell Medicare Supplement (Medigap) Insurance Policies for the specific purpose of filling the "gaps" in Original Medicare Plan coverage. Other supplemental coverage may also be available to you through an employer or union health plan.

As mentioned above, "gaps" would include costs that are not covered under the Original Medicare Plan like deductibles and coinsurance. Medigap policies may pay for some or all of the Medicare coinsurance and copayment amounts, and some or all deductibles. Some standardized Medigap plans also pay for services not covered by Medicare at all. In most States, there are 10 standard Medigap plans available. You may want to consider buying a Medigap policy to help pay for those costs. However, you are **not** required to purchase a Medigap policy in order to have coverage under the Original Medicare Plan.

**Keep a copy of the attached letter as proof to the Medigap insurer that you lost your coverage from your health plan.**

### Your Rights when Purchasing a Medigap Policy

Since [name of M+C plan] will no longer be available to you after December 31, 2000, you have the right to purchase certain Medigap policies. To protect your rights, you must apply for a Medigap policy within 63 calendar days after one of the following dates:

If you decide to leave our managed care plan before December 31, 2000, and you wish to guarantee your right to purchase Medigap plans A, B, C or F, you will have 63 calendar days from the date on this Final Notification Letter (October 2, 2000). **This means that you will have to apply for a Medigap policy no later than December 4, 2000**.

If you decide to stay enrolled in our managed care plan until our contract ends, your coverage under our plan will end on December 31, 2000. If you do not enroll in another managed care plan or private fee-for-service plan, you will be automatically enrolled in the Original Medicare Plan on January 1, 2001. If you wish to guarantee your right to purchase Medigap plans A, B, C or F, you will have 63 calendar days from your last day of coverage under our plan to apply for a Medigap policy. **This means that you will have to apply for a Medigap policy no later than March 4, 2001**.

Regardless of whether you disenroll from our plan before December 31, 2000 or remain enrolled until that date, you are guaranteed the right to purchase Medigap plans A, B, C or F, or similar plans that are available in your State. Companies selling these policies cannot deny you

the policy, impose a waiting period, exclude coverage for pre-existing conditions, or discriminate in the price of the policy because of your health status.

Remember that your enrollment in a Medigap policy is not automatic. You must contact a Medigap insurer and request an application. If you decide to purchase a Medigap policy, it is best to apply for the policy early enough so that you can request that your coverage begin the first day of the month following the end of your coverage under our plan.

**If You Dropped a Medigap Policy to Join This Medicare Managed Care Plan**

If you dropped a Medigap policy to join our plan less than 12 months ago and you have never been enrolled in another managed care plan since starting Medicare, you are guaranteed the right to return to the Medigap policy you dropped if:

The Medigap policy you dropped is still being sold by the same insurance company;

You voluntarily disenroll from our plan within 12 months of initially enrolling in the plan. Do not wait until you are automatically disenrolled on December 31, 2000 if your initial 12-month trial period will expire before that date; and

You reapply for the policy you dropped no later than 63 days after the effective date of your disenrollment from our plan.

**Caution:** Check to see if your old policy is still available from your original insurer before you disenroll from our plan. If it is no longer available, you are still guaranteed the right to buy from any Medigap carrier any policy designated A, B, C, or F that the insurer offers in your State (as described above.) In this case, you will have some time to make a decision about your Medigap policy options. You may simply remain enrolled in our plan until you are automatically disenrolled on December 31, 2000.

If you disenroll before December 31, 2000 you must reapply for your old policy or apply for your choice of policy designated A, B, C or F no later than 63 days from your last day of coverage under your current managed care plan in order to protect your right to these choices.

**If You Joined a Medicare Managed Care Plan When You First Got Medicare**

If, within the last year, you enrolled directly into our plan when you first became entitled to Medicare Part A and enrolled in Part B at age 65, you **are guaranteed the right** to select any Medigap plan that is offered by any insurer in your State (including plans, H, I and J which offer prescription drug benefits) if:

You voluntarily disenroll from our plan within 12 months of initially enrolling in it. **Do not wait until December 31, 2000 if your initial 12-month period will expire before then; and**

You apply for the policy of your choice no later than 63 days after the effective date of your disenrollment from our plan.

**If You Turned 65 or Enrolled in Part B in the Last 6 Months**

Your Medigap open enrollment period lasts for 6 months. It begins on the first day of the month in which you are both:

Age 65 or older: **and**

Enrolled in Part B.

During this time you have the right to buy the Medigap policy of your choice, from any of the plans A through J, and the insurance company cannot deny you insurance coverage, place conditions on a policy (like making you wait for any coverage to start), or change the price of a policy because of past or present health problems.

Regardless of whether you were in a Medicare health plan or had a Medigap policy before, you may still be eligible for at least part of your Medigap open enrollment period.

**If you have any questions, concerns or need additional information on your options, contact your State Health Insurance Assistance Program at [XXX-XXX-XXXX].**

## Section III — WHAT IF I HAVE PERMANENT KIDNEY FAILURE?

Federal law does not allow beneficiaries with permanent kidney failure (also known as ESRD) to join a new managed care plan or private fee-for-service plan. You will automatically be enrolled in the Original Medicare Plan - also known as traditional Medicare or fee-for-service Medicare - on January 1, 2001. [*Note to M+C organizations: for plans in Southern California, insert the following at the end of the previous sentence*: ", unless you decide to join the ESRD managed care demonstration."] You are guaranteed the right to buy certain Medigap policies. See the Medigap section. For more information on how to return to the Original Medicare Plan, see Section I.

[*Note to M+C organizations—Plans in Southern California ONLY should insert the following information on the ESRD managed care demonstration*:

**ESRD Managed Care Demonstration**

The ESRD managed care demonstration has waivers that permit ESRD beneficiaries for whom Medicare is primary payer to enroll in a managed care plan. The demonstration is currently accepting new members in one location. **To enroll you must live in the demonstration service area.** You may not, however, enroll in a Medicare health plan offered by any other organization.

Call the plan or 1-800-MEDICARE (1-800-633-4227 and TTY 1-877-486-2048) if you have questions about premiums, benefits, enrollment process, service area, or effective dates of coverage:

The Kaiser Permanente demonstration site covers several counties in **Southern California.** Call **1-800-605-4564** toll-free for more information about this demonstration.]

**Information For Individuals Who Have Had Kidney Transplants**

If you have had a kidney transplant and you no longer require a regular course of dialysis, you may be able to enroll in a Medicare health plan. In order to enroll, you must also meet all other eligibility requirements to join a Medicare health plan. You must have both Medicare Part A and Part B, and you must live in the Medicare health plan's service area. When you enroll, you will need to provide medical documentation of your functioning transplant to the Medicare health plan. You should submit this information when you send your enrollment application to the plan. Call 1-800-MEDICARE (1-800-633-4227 and TTY 1-877-486-2048) if you have any questions about enrolling into a managed care plan if you have received a kidney transplant.

**ESRD Networks**

ESRD Networks assure the quality and appropriateness of care provided to beneficiaries with permanent kidney failure. This organization can provide assistance in obtaining ESRD services. ***[Note to M+C organizations: Your RO will provide the ESRD Network name and the telephone number that should be listed in this letter.]***

## Section IV — WHAT IF I ONLY HAVE MEDICARE PART B?

You generally must be enrolled in Medicare Part A **and** Part B and not have permanent kidney failure (ESRD) before you can enroll in a Medicare managed care plan or private fee-for-service plan. [*Note to M+C organizations—If cost plan choice(s) exists, add the following and then start a new paragraph:* "There are exceptions to this rule for certain types of managed care plans, called "cost plans". You may be able to join a cost plan, even if you do not have Part A. If you are interested in joining a cost plan, you should call the plan to see what the requirements are. See Section I for information on how to contact the cost plan in your area."] In addition, most Medigap insurers will not sell you a policy unless you have both Parts A and B of Medicare. You have the right to buy a policy, without regard to health status, if you otherwise meet the policy requirements and if you apply within 63 days of receiving the attached notice, or within 63 days of the termination of your coverage under your Medicare health plan on December 31, 2000. However, the Medigap insurer can still require you to have both Parts A and B.

If you are not sure whether you have Medicare Part A, check the lower left corner of your red, white and blue Medicare card. It will show which parts of Medicare you have. If you still are not sure, call your local Social Security office, or call the Social Security Administration at 1-800-772-1212.

If you do not have Medicare Part A, you (or your spouse) have not worked long enough to qualify for premium-free Part A. This means that if you enroll in Part A, you must pay a monthly premium. The 2000 monthly premium for Part A is $301 per month. If you wish to enroll in Medicare Part A, you should call the Social Security Administration at 1-800-772-1212 or visit your local Social Security office.

### When to Enroll In Part A

If you choose to enroll in Medicare Part A now, you qualify for a "Transfer Enrollment Period." The Transfer Enrollment Period allows you to enroll in Medicare Part A in October, November, or December 2000, or January 2001. If you enroll during one of these months, your Part A coverage will be effective January 1, 2001. You can also enroll from February 1, 2001 through August 31, 2001. If you enroll during one of these months, your Part A coverage will be effective the month after you enroll. The Social Security Administration can provide additional information about the Transfer Enrollment Period.

If you do not intend to enroll in Part A at this time, you will have an opportunity in the future to enroll in Medicare Part A during the annual Medicare "General Enrollment Period." This period is held from January through March of every year. If you enroll during a General Enrollment Period, your Part A coverage will become effective on July 1st of that same year. At that time, you may join another managed care plan.

## Section V — WHERE TO CALL FOR HELP - INFORMATION & ASSISTANCE

**1-800-MEDICARE**
**1-800-633-4227 and TTY 1-877-486-2048**

This helpline is run by the Health Care Financing Administration (HCFA), the Federal Agency that administers the Medicare Program. Customer Service Representatives are available, Monday through Friday (8:00 a.m. to 4:30 p.m. local time), to answer questions about Medicare and to take orders for Medicare publications.

***Medicare & You 2001* and other Helpful Medicare Publications**

Every household will receive a copy of the *Medicare & You* handbook by October 15, 2000. The handbook will also provide information on your health care options. The handbook is available in English, Spanish, Braille, large print, or on audiotape. Other helpful publications available from the Medicare Choices Helpline include: *Understanding Your Medicare Choices, the 2000 Guide to Health Insurance for People with Medicare*, *Your Guide to Private Fee-For-Service Plans*, and *Medicare Supplemental Insurance (Medigap) Policies and Protections*.

**[Insert specific State or State Health Insurance Assistance Program (SHIP) Name] 1-800-XXX-XXXX.** [*Note to M+C organizations: Your RO will provide the SHIP name and the telephone number(s) above that should be used in this letter.*]

Volunteers are available to discuss your situation and provide information on all options that are available to you.

**[Insert specific State Insurance Commissioner's Office Name]**
**1-XXX-XXX-XXXX.** [*Note to M+C organization: Your RO will provide the name and the telephone number(s) above that should be used in this letter.*]

Call if you have questions about the Medigap policies available in your area.

**Assistance for Low Income Medicare Individuals & Couples**

If you have low income (less than $1,238 per month for an individual or $1,661 per month for a couple), you may qualify for some assistance with your Medicare premiums, deductibles, and coinsurance costs. Call 1-800-MEDICARE (1-800-633-4227 and TTY 1-877-486-2048) and ask about Medicare savings for qualified beneficiaries.

**Internet Site: www.medicare.gov**

This website provides extensive information on the Medicare program including the text of the *Medicare & You* handbook and the *2000 Guide to Health Insurance for People with Medicare*. You can check the Medicare Health Plan Compare database to see if any new managed care plans become available in your area in the future. Information regarding plan availability beginning January 1, 2001 will be available in mid-September. The website also lists referrals to local information sources and links to other health sites.

**Local Information Activities in Your Area**

HCFA is in the process of planning local activities in many areas affected by plan withdrawals. For more information about the specific events that will be held in your county or state, please call 1-800-MEDICARE (1-800-633-4227 and TTY 1-877-486-2048) or visit HCFA's beneficiary website at www.medicare.gov. Information about local events will be continuously updated. The next section of the booklet provides a list of specific local information activities that are currently planned in your area.

## Section VI — OUTREACH ACTIVITIES IN YOUR AREA

Below is a list of planned outreach activities in your community.

DATE

TIME

LOCATION

TYPE OF EVENT FOR MORE INFORMATION, CONTACT

[*Note to M+C organization: Please check the Local Medicare Events database on www.medicare.gov and include the activities supported by HCFA for the service area that corresponds to this notice. In the event that the Local Medicare Events database has no events listed, you may leave this section blank. The HCFA Regional Office may add events during its review of this notice.*]